

19 May 2016

Dear Option Holder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

The Directors of Newzulu Limited (**Newzulu** or the **Company**) announced on 20 April 2016 a 1 for 4 entitlement issue to shareholders to raise up to approximately \$2 million (**Entitlement Issue** or **Offer**). Gleneagle Securities is Underwriter to the Entitlement Issue, with Seven West Media and Tiga Trading Pty Ltd (**Thorney**) acting as joint sub-underwriters.

The Offer will be a 1 for 4 entitlement issue to shareholders and performance rights holders of up to 208,815,958 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.01 each to raise up to approximately \$2,088,159, before costs.

The Entitlement Issue will be offered to shareholders and performance rights holders registered at the Entitlement Record Date (as defined below) with a registered address in Australia or New Zealand (**Eligible Shareholders**) on the basis of one (1) New Share for every four (4) Shares held.

Newzulu has announced the record date of 5:00pm (AWST) on 25 May 2016 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Entitlement Record Date**). A prospectus containing full details of the Entitlement Issue was lodged with ASIC on 19 May 2016 and will be despatched to all Eligible Shareholders on 27 May 2016. The Prospectus will be available on the ASX website (company announcements section, ASX code: NWZ).

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Issue, unless you exercise your options and are entered onto the register as an Eligible Shareholder on or before the Entitlement Record Date. Under the terms of your options you are entitled to receive notice of the record date set for the purposes of determining entitlements to any new issue of capital. The purpose of this letter is to give you that notice in order to permit you to participate in the Entitlement Issue, should you wish to do so.

If you are not a shareholder and wish to participate in the Entitlement Issue, or if you are already a shareholder but also wish to participate in the Entitlement Issue in respect of your option holdings, it will be necessary for you to exercise all or part of your options, and the shares in respect of those options must have been issued to you before the Entitlement Record Date. If you wish to do so, you should complete a Notice of Exercise of Options and lodge it with the Company, together with your payment for the number of options you wish to exercise. If the Notice of Exercise of Options together with payment in full for the relevant number of options being exercised is not received by 25 May 2016,

you will not be able to participate in the Entitlement Issue in respect of the shares to be issued upon exercise of those options.

If you do not wish to participate in the Entitlement Issue (in respect of your options), you do not need to take any action.

This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire shares in Newzulu or to participate in the Entitlement Issue.

If you require further information, please contact the Company Secretary on +61 8 9321 0715 between 8:30 am and 5:00 pm AWST or via email at investors@newzulu.com.

Yours faithfully



Charles C Koonen
Non-Executive Chairman